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Health plan perspective: Assuring a vibrant and competitive marketplace for biosimilars

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Prescription drug spending increases fueled by high launch prices for new therapies and price increases for existing brand name drugs are contributing to unsustainable health care costs growth across the US. In addition to straining the health care system overall, high drug prices also place financial burdens on patients who rely on prescription medicines. Recent advances in medicine which have resulted in new treatment options for patients with serious and chronic conditions have been mostly concentrated in the area of biologics and specialty drugs. While many of these treatments have led to improved health outcomes and quality of life for patients with debilitating conditions, they also lack meaningful competition and as a result are a key driver of increased medical and prescription drug costs. Spending on biologics and other specialty drugs reached $105.5 billion in 2016 and biologics are the fastest growing component of prescription drug spending increasing between 11.3% and 17.7% last year alone. Some treatments for biologics and specialty drugs have annual costs that exceed $250,000. Despite the passage of the biologics price competition and innovation act of 2010 which established a dedicated pathway for FDA approval of biosimilar drugs overall availability and utilization of biosimilar drugs have largely fallen short of market expectations. The FDA has approved 12 biosimilar products but only 4 are currently available to patients including approved biosimilar alternatives to neupogen and remicade. A number of barriers legal, regulatory and others have prevented and limited the availability and widespread adoption of biosimilars in the marketplace. Legal strategies such as aggressive patent litigation by brand name biologic manufacturers have prevented or delayed FDA approved biosimilars from coming to market and being made available to patients. Moreover, legislative and regulatory barriers have also contributed to a biosimilars marketplace that has failed to meet expectations in terms of product availability, uptake and cost savings.

Biography

Gregory Gierer has over 15 years of experience with health care policy and analysis. Prior to joining America's Health Insurance Plans (AHIP), he served as a senior director for policy at the pharmaceutical research and manufacturers of america (PhRMA) where he worked on developing and managing public policy issues related to comprehensive health care reform, health-system and delivery reforms and public programs such as Medicaid and the Children's Health Insurance Program (CHIP). He previously served as a senior policy consultant at the Blue Cross and Blue Shield Association (BCBSA) and a Policy Analyst at America's Health Insurance Plans (AHIP). He also worked on the legislative staff for U.S. Senator Christopher J. Dodd (D-CT) from 1997-1999 and 2001-2002. He received his Bachelor of Arts (B.A.) from Providence College (1995) and a master's in public policy (M.P.P.) from Georgetown University (2001). AHIP is the national trade association representing the health insurance industry. AHIP's members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual insurance market and public programs such as Medicare and Medicaid. AHIP advocates for public policies that expand access to affordable health care coverage for all Americans through a competitive marketplace that fosters choice, quality and innovation.Senior Vice President for Policy at America's Health Insurance Plans (AHIP) where he leads policy development work on legislative and regulatory policy issues—with a primary focus on health reform.

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